

104224

STATE OF SOUTH CAROLINA
State Budget and Control Board
SOUTH CAROLINA ENERGY OFFICE

MARK SANFORD, CHAIRMAN
GOVERNOR

THOMAS RAVENEL
STATE TREASURER

RICHARD ECKSTROM
COMPTROLLER GENERAL

HUGH K. LEATHERMAN, SR.
CHAIRMAN, SENATE FINANCE COMMITTEE

DANIEL T. COOPER
CHAIRMAN, WAYS AND MEANS COMMITTEE

FRANK W. FUSCO
EXECUTIVE DIRECTOR

1201 MAIN STREET, SUITE 430
COLUMBIA, SOUTH CAROLINA 29201
(803) 737-8030 (803) 737-9846 FAX

January 30, 2007

South Carolina Public Service Commission
101 Executive Center Drive
Columbia, SC 29210

RE: SC Public Service Commission Docket 2005-385-E Order No.2006-680

Dear Commissioners:

I am writing to request that the Public Service Commission fully consider the benefits of a net metering standard in South Carolina and give net metering, with reasonable interconnection terms, a chance.

South Carolina is one of only ten states not offering some form of net metering. We have seen no evidence of a negative effect on customer rates among utilities in the forty states that do offer net metering.

While it is true that net metering provides a disproportional benefit to the small group of participating consumers, such is the case with virtually every program designed to decrease electricity consumption, favorably influence load factors, or attract customers away from natural gas.

While it is true that utilities would pay slightly more for the electricity obtained from net metering, it is also true that the state's citizens would benefit from lower societal costs resulting from less power generation from coal. It may be time to consider societal health and environmental costs, in addition to ratepayer costs, when considering options for generation.

There are two reasonable ways that utilities can ensure that interconnection equipment will not harm their systems: (1) utilities can establish reasonable and very precise specifications; and (2) utilities can own and lease out the interconnection equipment. The bottom line is that safe interconnection is happening in forty other states, and it can be made to work here in South Carolina.

RECEIVED
FEB 1 2007 10:44 AM
SC PUBLIC SERVICE
COMMISSION



Please visit our website at www.energy.sc.gov
Or call toll free 1-800-851-8899 in South Carolina



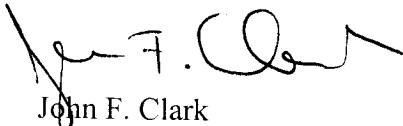
Two suggestions for marginalizing or eliminating any rate impact of net metering are as follows:

1. Limit net metering to small-scale generators, and limit the total amount of net metering that can be subscribed on any utility's system to 0.1% (one-tenth of one percent). Such a limit by all generating utilities in South Carolina would allow no more than 22 megawatts throughout the state, which represents a mere drop in the bucket when compared to the more than 22,000 megawatts of electric utility generating capacity in South Carolina.
2. Keep separate accounting for green power-generated net metering, and market the green power at a break-even or profit-earning rate to those willing to pay a premium for green power.

We already have tax credits for purchase of solar equipment, but buyers are unable to connect to the grid under reasonable terms. If a reasonable market for photovoltaic power is created in South Carolina, prices will come down, it is more likely that solar equipment manufacturers and installers will locate in our state, and South Carolina will begin to enjoy the benefits of clean solar energy.

I hope the Commission will find a reasonable way to give solar photovoltaic energy and net metering a foot in the door. I believe this can be done without adversely affecting our large investor-owned utilities. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "John F. Clark", with a stylized flourish at the end.

John F. Clark
Director
South Carolina Energy Office